

**VOLUNTARY CLEANUP CONTRACT
08-5753-NRP**

**IN THE MATTER OF
CONESTEE MILLS SITE, GREENVILLE COUNTY
and
CONESTEE MILL, LP**

This Contract is entered into by the South Carolina Department of Health and Environmental Control and Conestee Mill, LP, pursuant to the Brownfields/Voluntary Cleanup Program, S.C. Code Ann. § 44-56-710, et seq. (2002 and Supp. 2005), the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA), 42 U.S.C §§ 9601, et seq., and the South Carolina Hazardous Waste Management Act (HWMA), S.C. Code Ann. § 44-56-200 (2002), with respect to the Property located at 1 Spanco Drive at intersection with Conestee Drive in Conestee, Greenville County, South Carolina. The Property is identified by Tax Map Serial Numbers 0423000101001 (3.9 acres) and 0422000100300 (2.9 acres). The Conestee Mills Site includes approximately 6.8 acres and is bounded generally by Lake Conestee to the west, the Conestee dam and Reedy River to the north, Conestee Road followed by small commercial and residential properties to the east and south. In entering this Contract, the Department relies on the representations of the "Information and Certification" received by the Department on February 5, 2008 by Conestee Mill, LP, which is incorporated into this Contract and attached as Appendix A. A plat map of Tax Map Serial Numbers 0423000101001 (3.9 acres) is attached to the Contract as Appendix B.

1. Unless otherwise expressly provided, terms used in this Contract shall have the meaning assigned to them in CERCLA, including any amendments, or in the regulations promulgated thereunder.

A. "CMLP" shall mean Conestee Mills, LP.

- B. "Bona Fide Prospective Purchaser" shall have the same meaning as that in CERCLA, Section 222.
- C. "Contract" shall mean this Voluntary Cleanup Contract.
- D. "Department" shall mean the South Carolina Department of Health and Environmental Control or a successor agency of the State of South Carolina that has responsibility for and jurisdiction over the subject matter of this Contract.
- E. "Existing Contamination" shall mean any hazardous substances, pollutants or contaminants (as defined herein), present or existing on or under the Site as of the execution date of this Contract.
- F. "Hazardous Substance" means
 - a. Any substance designated pursuant to section 311(b)(2)(A) of the Federal Water Pollution Control Act [33 U.S.C. 1321(b)(2)(A)],
 - b. Any element, compound, mixture, solution, or substance designated pursuant to section 9602 of this title,
 - c. Any hazardous waste having the characteristics identified under or listed pursuant to section 3001 of the Solid Waste Disposal Act [42 U.S.C. 6921] (but not including any waste the regulation of which under the Solid Waste Disposal Act [42 U.S.C. 6901 et seq.] has been suspended by Act of Congress),
 - d. Any toxic pollutant listed under section 307(a) of the Federal Water Pollution Control Act [33 U.S.C. 1317(a)],
 - e. Any hazardous air pollutant listed under section 112 of the Clean Air Act [42 U.S.C. 7412], and,
 - f. Any imminently hazardous chemical substance or mixture with respect to

which the Administrator has taken action pursuant to section 7 of the Toxic Substances Control Act [15 U.S.C. 2606]. The term does not include petroleum, including crude oil or any fraction thereof which is not otherwise specifically listed or designated as a hazardous substance under subparagraphs (A) through (F) of this paragraph, and the term does not include natural gas, natural gas liquids, liquefied natural gas, or synthetic gas usable for fuel (or mixtures of natural gas and such synthetic gas).

- G. "Non-Responsible Party" (or "NRP") shall mean any party which is neither:
 - a. A responsible party at the time the voluntary cleanup contract is signed, including lenders, economic development agencies, fiduciaries, trustees, executors, administrators, custodians, subsequent holders of a security interest; nor
 - b. A parent, subsidiary of, or successor to a responsible party.
- H. "Oversight Costs" shall mean those costs, both direct and indirect, incurred by the Department in implementing the Voluntary Cleanup Program as related to this Contract and any future amendments thereto.
- I. "Pollutant or Contaminant" includes, but is not limited to, any element, substance, compound, or mixture, including disease-causing agents, which after release into the environment and upon exposure, ingestion, inhalation, or assimilation into any organism, either directly from the environment or indirectly by ingestion through food chains, will or may reasonably be anticipated to cause death, disease, behavioral abnormalities, cancer, genetic mutation, physiological malfunctions, including malfunctions in reproduction, or physical deformations, in organisms or their offspring; "contaminant" does not include petroleum, including crude oil or any fraction of crude oil, which is not otherwise specifically listed or designated as a hazardous substance under

subparagraphs (A) through (F) of paragraph (14) of CERCLA, Section 101, 42 U.S.C. Section 9601, et seq. and does not include natural gas, liquefied natural gas, or synthetic gas of pipeline quality or mixtures of natural gas and such synthetic gas.

- J. "Property" shall mean property as described in the Information and Certification attached as Appendix A, and that is subject to ownership, prospective ownership, or possessory or contractual interest of CMLP.
- K. "Response Action" shall mean any assessment, cleanup, inspection, or closure of a site as necessary to remedy actual or potential damage to public health, public welfare, or the environment.
- L. "Responsible Party" shall mean:
 - a. The owner and operator of a vessel, as defined in CERCLA Section 101 (28), or a facility;
 - b. Any person who, at the time of disposal of any hazardous substance, owned or operated any facility at which such hazardous substances were disposed of;
 - c. Any person who, by contract, settlement, or otherwise, arranged for disposal or treatment or arranged with a transporter for transport for disposal or treatment of hazardous substances owned or possessed by such person, by any other party or entity, at any facility or incineration vessel owned or operated by such a party or entity and containing such hazardous substances; and/or
 - d. Any person who accepts or accepted any hazardous substances for transport to disposal or treatment facilities, incineration vessels, as defined in CERCLA Section 101 (38), or sites selected by such person from which there is a release, or a threatened release that causes the incurrence of

response costs, of a hazardous substance.

M. "The Site" shall mean all areas where a contaminant has been released, deposited, stored, disposed of, placed, or otherwise comes to be located; "Site" does not include any consumer product in consumer use or any vessel, as defined in CERCLA Section 101 (28).

N. "Voluntary Cleanup" shall mean a response action taken under and in compliance with the Brownfields/Voluntary Cleanup Program, S.C. Code Ann. § 44-56-710, et seq. (2002 and Supp. 2005).

O. "Work Plan" shall mean the plan for additional response actions to be conducted at the Property as described in Paragraph 5 of this Contract.

2. Based on the information known by and/or provided to the Department, the following findings are asserted for purposes of this Contract:

A. Owners and operators on the Property are as follows:

Lemuel Alston	Post Revolutionary War Land Grant
Vardry McBee	1815-1862
Grady Hawthorne, and Perry	1862-18__
Grady Ashmore and Company	18__-18__
James Ashmore and J. A. David	18__-1875
Reedy River Mfg. Co.	1875-1909
W.E. Beatie and Assoc.(Conestee Mills)	1909-19__
Blackington Mills	19__ to 1954
Wyandotte Worsted Co.	1954-1973
UPD, Inc	1972-1973
Standard Textile Mills, Inc	1973-1978

J&B Associates

1978-1985

H. J. Brand, Inc

1985 to Present

- B. After the Reedy River was dammed at the current Lake Conestee dam location, the property was first developed as a paper mill which operated until 1862 when production was changed to cotton textiles. Production of cotton textiles continued until the mid 1950's when yarn production began and continued until the mid 1970's. Production operations ceased in 1978, and the property was used for as a fabric warehouse. Currently, the mill buildings are use for a fabric shipping and receiving business.
- C. Currently, eight buildings are present on the 3.9 acre portion of the property identified by TMS number 0423000101001 or as the Mill Building Parcels. These buildings include structures or areas formerly used for weaving, carding, spinning and dying operations. Floor drains are present in the basement floors of Buildings 8 and 9. Reportedly, wastewater was treated by pumping to a coagulation basin and then to three settling basins still present on the property. A structure identified as a pump that was used to pump wastewater to the coagulation basin was identified just northeast of Building 9. An abandoned 500 gallon heating oil above ground storage tank is present west of Building 4, but has not been in use since 1997. Sanborn maps dated 1913 and 1928 indicate former locations of an underground gasoline storage tank, machine shops, and a repair shop.
- D. The subject Property also includes a 2.9 acre parcel located across Spanco Drive south of the Mill Building Parcels and identified by TMS number 0422000100300. This parcel is undeveloped. During operation of the mill, this property was used for recreational fields. The majority of the property is vacant, but a small portion is used for storage of vehicle trailers and dumping

of construction debris.

- E. CMLP intends to purchase and redevelop the property for mixed-use purposes that could include multi-family senior housing and family housing, office, and commercial use. CMLP intends to retain some of the existing structures on the Property for some of these planned uses. CMLP shall allow current and future owners of the Lake Conestee Property (VCC 00-5393-NRP) acceptable access rights across the subject Property to the Lake Conestee Dam for inspection and maintenance purposes. These access rights shall be specified through a deed restriction on the Property as described in Paragraph 18 of this Contract.
3. CMLP is a Maryland Limited Partnership with its principal place of business located at 8484 Georgia Avenue, Suite 620, Silver Spring, Maryland, 20910. CMLP is a Non-Responsible Party at the Site; it is not a parent, successor, or subsidiary of a Responsible Party at the Site; and it certifies that it and its members are eligible to be a Bona Fide Prospective Purchaser for the Property. CMLP and its members have had no previous involvement with the Site, including but not limited to any such activities that may have resulted in any Existing Contamination at the Site.
4. CMLP agrees to submit to the Department for review and written approval within thirty (30) days of the execution date of this Contract a Work Plan for the Property that is consistent with the technical intent of the National Contingency Plan. The Work Plan shall be implemented upon written approval from the Department. The Work Plan shall include the names, addresses, and telephone numbers of the consulting firm, the analytical laboratory certified by the Department, and CMLP's contact person for matters relating to this Contract. CMLP will notify the Department in writing of changes in the contractor or laboratory. The Department will review the Work Plan and will notify CMLP in writing of any deficiencies in the Work Plan, and

CMLP shall respond in writing within thirty (30) days to the Department's comments. The Work Plan and all associated reports shall be prepared in accordance with industry standards and endorsed by a Professional Engineer (P.E.) and/or Professional Geologist (P.G.) duly-licensed in South Carolina and shall set forth methods and schedules for accomplishing the following tasks:

- A. Remove any existing hazardous substances:
 - a. CMLP shall characterize and properly dispose of drums, tanks and other containers or items that are potential sources of hazardous constituents including:
 - i. An abandoned 500-gallon heating oil AST located adjacent to the northwest wall of Building 4.
 - ii. Three 50 gallon drums, remains of burned drums in settling basins 1 and 2, metal debris located west of Building 9.
 - b. In the event that any other drums, tanks, or other containers and items that are potential sources of hazardous substances are found on the Property at any time during assessment or development activities, CMLP shall promptly notify the Department.
 - c. All containers shall be characterized and removed from the Property for proper use or disposal in accordance with applicable regulations. Records documenting characterization and disposal of these items shall be provided to the Department within 30 days of removal.
 - d. Should any release of hazardous substances occur or be identified during removal of these items, CMLP shall immediately notify the Department and shall assess the impact of the release in accordance with a Department approved plan.
- B. CMLP shall investigate the former process wastewater system components including floor drains, pipelines, and pump housing to identify the presence of

any remaining material. Any material remaining in the process wastewater system shall be characterized, removed to the extent feasible, and properly disposed of in accordance with applicable regulations. Prior to future use of the property, all components of the process wastewater system, including floor drains, trenches, and pipelines shall be closed in accordance with a Department approved plan and in a manner to prevent access to or releases from the process wastewater system.

- C. A minimum of 31 soil samples shall be assessed from 19 locations on the Property as further described below. Samples collected from each location shall include a surface soil sample (0-1 foot below ground surface) and/or a subsurface sample as further described below. Samples shall be analyzed for all EPA Target Analyte List and Target Compound List parameters (TAL/TCL) or a subset of these parameters as further described below.

a. Mill Building Parcels

- i. Settling Basins and Coagulation Basin: Investigate and characterize material in each of the three settling basins and the coagulation basin including identification of the depth and volume of material within each structure, identification of the type of flooring within each structure, and analysis of the material within each structure for the full suite of TAL/TCL parameters. One composite sample collected from each area is acceptable, with the exception of samples for analysis for volatile organic compounds (VOCs) which must be grab samples.
- ii. Coal yard and former machine shop area: Assessment shall include collection of surface (0-1 foot) and subsurface (>2 feet) samples at a minimum of five (5) locations across the area of the property identified as the former coal yard in the northern portion of Parcel D. Soil samples shall be analyzed for TAL metals and TCL VOCs and semi-volatile organic compounds (SVOCs).

- iii. Wastewater System Pump: Assessment shall include collection of a subsurface soil sample collected at a depth just below the base of the pipeline and pump structure located northeast of Building 9. The soil sample may be collected in conjunction with installation of a monitoring well at this location. The soil sample shall be analyzed for the full suite of TAL/TCL parameters.
- iv. West of Building 9: Assessment shall include collection of surface (0-1 foot) and subsurface (>2 feet) samples at four (4) locations. Samples shall be collected at two (2) locations in the area identified in Sanborn maps as a machine shop for analysis for the full suite of TAL/TCL parameters. One surface and one subsurface sample shall also be collected at both the location of metal debris (after removal and proper disposal) and at the former tank cradle. All four soil samples from these two locations shall be analyzed for TAL metals and TCL VOCs and SVOCs.
- v. Fuel oil AST: Assessment shall include collection of two (2) surface soil samples (0-1 foot) beneath the AST after its removal and proper disposal. Samples shall be analyzed for TCL VOCs and SVOCs.
- b. Undeveloped Parcel
 - i. Assessment shall include collection of surface (0-1 foot) and subsurface (>2 feet) samples at a minimum of three (3) locations across Parcel A. Soil samples shall be analyzed for TAL metals and TCL VOCs and SVOCs.
 - c. Soil quality results shall be compared to EPA Region IX Preliminary Remediation Goals (PRGs) for residential and industrial exposure and EPA Region IX Soil Screening Levels for Contaminant Migration to Groundwater (SSLs) with a dilution/attenuation factor (DAF) of 1 as a default or a site-specific value, if agreeable to the Department.

D. Assess groundwater quality:

- a. CMLP shall install at least five (5) permanent groundwater monitoring wells on the property to assess groundwater quality in each of the five areas identified below. As previous attempts to collect groundwater samples with a direct push rig were unsuccessful due to refusal, more aggressive methods for well installation should be anticipated. Monitoring wells shall be installed to assess the following areas:
 - i. Background location between Building 2 and Spanco Drive.
 - ii. Northeast of Building 8 in area of the former coal yard, machine shop, and dye storage area.
 - iii. Wastewater system pump northeast of Building 9
 - iv. In the vicinity of the former settling basins and former machine shop located west of Building 9.
 - v. In the vicinity of the former UST noted on Sanborn map dated 1928.
- b. Samples from two of the monitoring wells (pump house and background locations) shall be analyzed for the full suite of parameters on the EPA Target Analyte List and Target Compound List (TAL/TCL). Groundwater samples from the remaining wells shall be analyzed for VOCs, SVOCs and TAL metals. All analytical methods shall use appropriate detection levels to allow comparison to the criteria specified below.
- c. Groundwater quality results shall be compared to standards set forth in the South Carolina State Primary Drinking Water Regulations, R.61-58 or if not specified in R.61-58, to the EPA region IX Preliminary Remediation Goals for Tap Water.

E. Assess Sediment and Surface water quality:

- a. CMLP shall collect both a sediment and surface water sample from two (2) locations within the canal that runs under the mill building. One sample pair shall be collected at the origination of the canal near the Lake Conestee

dam, and the second sample pair shall be collected from the canal near its exit from the mill building.

- b. Analytical parameters for all four samples shall be for the full suite of parameters on the EPA Target Analyte List and Target Compound List (TAL/TCL).
 - c. Surface water quality results shall be compared to the values set forth in the SC Water Classifications and Standards R.61-68, based on consumption of either "water and organisms" or "organisms only" as applicable for the water body. Sediment samples shall be compared to the Ecological Screening Values as included in EPA Region 4 Ecological Risk Assessment – Supplement to RAGS (<http://www.epa.gov/region4/waste/ots/ecolbul.htm>).
- F. Based on the results of initial assessment, additional assessment may be required to determine the extent of contamination identified on the property. CMLP shall propose any necessary additional assessment activities in an addendum to the Work Plan. The addendum to the Work Plan shall be implemented upon written approval from the Department.
- G. Evaluate and control potential impacts to indoor air:
- a. In the event that the Department determines significant concentrations of volatile organic compounds are encountered in soil samples or groundwater samples, a representative number of soil gas samples shall be collected from beneath existing buildings and/or the proposed footprint of buildings to be constructed on the site. The Department will use the modified Johnson and Ettinger Model to determine "Significant concentrations" and the model will be constrained towards predicting residential exposures consistent with the building construction likely to be employed on the site.
 - b. Soil gas samples shall be analyzed for all site related constituents including volatile organic compounds by appropriate methods capable of detecting

soil gas concentrations at screening levels indicative of a 10^{-6} risk for shallow gas samples (using an attenuation factor appropriate for the depth of the samples) as identified in Table 2c of EPA OSWER Draft Guidance for Evaluating the Vapor Intrusion to Indoor Air Pathway from Groundwater and Soils (Subsurface Vapor Intrusion Guidance), <http://www.epa.gov/correctiveaction/eos/vapor.htm>.

- c. An addendum to the Work Plan shall be submitted detailing the steps to be taken if the soil gas evaluation indicates contamination underlying the Property may impact indoor air quality.
- H. Stop continuing releases and address contamination in a manner that is protective of human health and the environment, consistent with the intended future use of the Property:
- a. Based on the results of the assessment activities above, CMLP shall take reasonable steps, approved by the Department, to address the presence of hazardous substances:
 - i. In excess of appropriate human-health and ecological risk-based standards via all potential routes of exposure;
 - ii. In excess of appropriate standards for contaminant migration to groundwater; or
 - iii. In the event that presumptive evidence of a Non-Aqueous Phase Liquid (NAPL) is found in the subsurface under the Property. For purposes of this clause, presumptive evidence of NAPL shall be defined as finding solvent concentrations at, or greater than, 1% of its solubility limit in any groundwater sample.
 - b. Any action required by this Contract to address the presence of hazardous substances shall be consistent with all laws and permitting requirements of the Department, including, but not limited to, stormwater management and waste disposal regulations. CMLP shall identify and obtain the applicable

permits before initiating any actions.

- I. Implement groundwater monitoring and/or abandon permanent monitoring wells:
 - a. Based on the results of groundwater assessment, implementation of a Department-approved groundwater monitoring program may be required.
 - b. If groundwater monitoring is not required and there are no further needs for any of the groundwater monitoring wells, CMLP shall abandon the monitoring well(s) in accordance with R.61-71 of the South Carolina Well Standards, dated April 26, 2002.
5. CMLP shall prepare and submit under separate cover from the Work Plan, a Health and Safety Plan that is consistent with Occupational Safety and Health Administration regulations. CMLP agrees that the Health and Safety plan is submitted for informational purposes only to the Department and the Department expressly disclaims any liability that may result from implementation of the Health and Safety Plan by CMLP.
6. CMLP shall inform the Department at least five (5) working days in advance of all field activities pursuant to this Contract and shall allow the Department and its authorized representatives, if so desired, to take duplicates of any samples collected by CMLP pursuant to this Contract.
7. CMLP shall preserve all drums, bottles, labels, business and operating records, contracts, Site studies, investigations, and other physical or written materials relating to the Site that may provide environmental information, evidence of a Potentially Responsible Party's involvement at the Site, or may lead to the discovery of other areas of contamination at the Site. Prior to destruction of any such items, CMLP shall notify the Department of their location and provide the Department with an

opportunity to inspect any materials or copy any documents at the Department's expense.

8. Within 60 days of Work Plan approval and quarterly thereafter, CMLP shall submit to the Department's project manager a written progress report that must include the following: (a) actions taken under this Contract during the previous reporting period; (b) actions scheduled to be taken in the next reporting period; (c) sampling, test results, and any other data, in summary form, generated during the previous reporting period, whether generated pursuant to this Contract or not; and (d) a description of any environmental problems experienced during the previous reporting period and the actions taken to resolve them.
9. All correspondence which may be required or permitted to be given by either party to the other hereunder shall be in writing and deemed sufficiently given if delivered by (i) regular U.S. mail, (ii) certified or registered mail, postage prepaid, return receipt requested, (iii) or nationally recognized overnight delivery service company or by hand delivery to the other party at the address shown below or at such place or to such agent as the parties may from time to time designate in writing. All correspondence, four (4) copies of all Work Plans and Reports, and one (1) copy of the Health and Safety Plan should be submitted to:

For the Department:

Angela Gorman

Bureau of Land and Waste Management

2600 Bull Street

Columbia, South Carolina 29201

For CMLP:

Peter Behringer

TCG Development Services, LLC
8484 Georgia Avenue, Suite 620
Silver Spring, MD 20910

10. The Department and CMLP recognize that public participation is an important component of the Voluntary Cleanup Contract. Specific functions of the Department and CMLP are as follows:
 - a. The Department will seek public comment in accordance with S.C. Code Ann. § 44-56-750 (2002 and Supp. 2005) as outlined below:
 - i. Upon signature of this Contract by CMLP, the Department will provide notice for public participation by placing announcements describing the proposed Contract in newspaper(s) of general circulation within the affected community. A thirty-day period following the publication date of the announcement(s) will be provided for public comment and will precede the Department's scheduled date for execution of the Contract.
 - ii. The Department may publicize the proposed Contract by any other means including, but not limited to, electronic mail, news releases, community flyers, and door-to-door canvassing. Such actions may be done solely at the Department's discretion.
 - iii. A public informational meeting will be held if requested by twelve residents of South Carolina or an organization representing twelve or more residents of South Carolina. At the Department's discretion, public informational meetings may be held in the nearby communities for any other reason prior to the Department executing the contract. A public meeting may be requested at any time during the thirty-day comment period. In the event that a public meeting is deemed necessary, the Department will provide approximately two weeks advance notice of the meeting to the public and will extend the public comment period at least through the end of the day following the public meeting. The

Department will not execute the contract during any public comment period. In addition, the Department may, at its discretion, conduct public meetings to inform the community about the site at any time after the contract is executed until the certificate of completion is issued.

- b. CMLP agrees to enhance the public knowledge of the site response activities by:
 - i. Erecting a sign(s) at each entrance onto the Property from any public road, thoroughfare, navigable waterway, or other location routinely accessible by the public. The sign(s) shall be erected not later than one day after publication of any public announcement about the site placed by the Department in any newspaper of general circulation in the community.
 - ii. The sign will state "Voluntary Cleanup Project by Conestee Mills, LP, under Voluntary Cleanup Contract VCC 08-5753-NRP with the South Carolina Department of Health and Environmental Control." The sign shall provide a brief description of the scope of activities under the NRP contract and contact information, including telephone number and address, for a representative of CMLP. Contact information for the Department shall state "TOLL-FREE TELEPHONE: 1-866-576-3432". All required lettering on the sign must be of sufficient size to be legible with un-aided normal eyesight from the point where the public will normally pass by the site without intruding onto the Property.
 - iii. Within 10 days after erecting the sign, CMLP shall furnish to the Department photographs of the sign along with a site location drawing showing the sign location(s). Photograph(s) of the sign(s) shall be taken from no closer than the edge of the publicly-accessible road, waterway, etc. and should include an appropriately sized scale reference so that Department may determine the size of the sign and effectiveness of the lettering. CMLP agrees to revise the sign if the Department determines

the sign is not legible.

- iv. CMLP must maintain the sign(s) in legible conditions and visible locations throughout the duration of the contract period until a certificate of completion is issued on the site.
 - v. In the event that any sign must be removed to accommodate building or grading activities, CMLP shall replace the sign within two days. If the sign cannot be restored to the original location, CMLP may relocate it to another location meeting the conditions specified above.
- c. All costs incurred by the Department for public participation (e.g., public notice(s), building and equipment rental(s) for public meetings, etc.) will be paid by CMLP.
11. The terms and conditions of this Contract apply to and shall inure to the benefit of each signatory and its Non-Responsible Party lenders, parents, subsidiaries, and successors, including new purchasers, lessees, heirs, and beneficiaries but only to the extent that such parties have never been a Responsible Party at the Site and the Department. The Department shall be notified in writing upon transfer of ownership of the Property-
12. Nothing in this Contract is intended to be, or shall be construed as, a release or covenant not to sue for any claim or cause of action, past or future, that the Department may have against any person, firm, or corporation not a signatory of this Contract or a signatory's NRP lenders, parents, subsidiaries, and successors, including new purchasers, lessees, heirs, and beneficiaries.
13. Nothing in this Contract is intended to limit the right of the Department to undertake future response actions at the Site or to seek to compel parties other than CMLP and its NRP lenders, parents, subsidiaries, and successors, including new purchasers, lessees, heirs, and beneficiaries to perform or pay for response actions at the Site.

Nothing in this Contract shall in any way restrict or limit the nature or scope of response actions that may be taken or be required by the Department in exercising its authority under State and Federal law.

14. The Department, its authorized officers, employees, representatives, and all other persons performing response actions will not be denied access to the Property during normal business hours or at any time work under this Contract is being performed or during any environmental emergency or imminent threat situation, as determined by the Department (or as allowed by applicable law). CMLP and subsequent owners of the Property shall ensure that a copy of this Contract is provided to any lessee successor or other transferee of the Property.
15. As provided for by S.C. Code Ann. § 44-56-200 (2002) and S.C. Code Ann. § 44-56-750 (D) (2002), CMLP shall, on a quarterly basis, reimburse the Department for oversight costs of activities required under this Contract. Oversight costs include but are not limited to the direct and indirect costs of negotiating the terms of this Contract, reviewing Work Plans and reports, supervising corresponding work, and public participation. Payments will be due within thirty (30) days of receipt of the Department's invoice. Invoices shall be submitted to:

Peter Behringer
TCG Development Services, LLC
8484 Georgia Avenue, Suite 620
Silver Spring, MD 20910

16. The Department and CMLP agree that the following are entitled to protection from contribution claims as provided by CERCLA § 113(f)(2), 42 U.S.C. §§ 9613(f)(2); S.C. Code Ann. § 44-56-200 (2002) and S.C. Code Ann. § 44-56-750 (2002 and Supp. 2005): CMLP, its NRP lenders, parents, subsidiaries, and successors,

including new purchasers, lessees, heirs, and beneficiaries. A thirty (30) day comment period for contribution protection commences upon notice of this Contract to Responsible Parties at the Site as identified by the Department through a reasonable search effort.

17. The Department and CMLP agree that the following are entitled to protection from third-party claims for equitable relief or damages relating to "Existing Contamination" at the Site, as provided by S.C. Code Ann. § 44-56-750 (2002 and Supp. 2005): CMLP, its NRP lenders, parents, subsidiaries, and successors, including new purchasers, lessees, heirs, and beneficiaries. This limitation on liability does not apply to any contamination, releases, and consequences caused by CMLP or its NRP lenders, parents, subsidiaries, and successors, including new purchasers, lessees, heirs, and beneficiaries. Furthermore, this limitation of liability is effective on the date this contract is executed by the Department, but will be automatically withdrawn if this contract is lawfully terminated by either party.

18. CMLP agrees to enter into a Restrictive Covenant with the Department to allow Conestee Foundation, or subsequent owners of the Lake Conestee Property (VCC 00-5393-NRP) reasonable access to the Conestee Dam for inspection and maintenance purposes (as required of the Conestee Foundation by Declaration of Covenants and Restrictions Recorded at Greenville County Register of Deeds Book 2297, Page 636). CMLP shall agree to additional restrictions on future Property use if hazardous substances in excess of residential standards exist at the Property after the actions required under this Contract are completed. CMLP or subsequent owners working under this Contract shall enter into and record a restrictive covenant. The executed restrictive covenant shall be incorporated into this contract as an Appendix and shall be subject to the following provisions:

- A. Upon the Department's approval of the items outlined therein, the restrictive covenant shall be signed by the Department and an authorized representative of CMLP or subsequent owners working under this Contract and witnessed, signed, and sealed by a notary public. The fully executed restrictive covenant shall be filed with the Register of Mesne Conveyance or Deeds in Greenville County by CMLP or subsequent owner executing the instrument, and a copy of the restrictive covenant shall be provided to the Department showing that the document has been filed and showing the book and page number where it has been recorded by the county.
- B. With the approval of the Department, the restrictive covenant may be modified in the future if additional remedial activities are carried out that meet appropriate clean up standards at that time or circumstances change such that the restrictive covenant would no longer be applicable.
- C. The Department may require CMLP or subsequent owners to modify the restrictive covenant if a significant change in law or circumstances requiring remediation occur.
- D. CMLP or subsequent owners may commission a survey to delineate a new legal parcel that is subject to the restrictive covenant.
- E. The restrictive covenant shall be recorded on the master deed of any planned residential community and shall be noted or referenced thereafter on each individual deed of property subdivided from the Property and subject to the restrictive covenant. The restrictive covenant shall reserve a right of entry and inspection for CMLP that may be transferred to another single individual or entity for purposes of coordinated compliance monitoring. CMLP or subsequent owners shall ensure that protective measures established by the restrictive covenants remain intact and functional on any subdivided property.
- F. CMLP or the single individual or entity responsible for coordinated compliance monitoring shall file an annual report with the Department by May 31st of each year detailing the current land uses and compliance with the restrictive

covenants for as long as the restrictive covenant remains in effect on the affected property. The report may be submitted in a manner prescribed by the Department

- G. CMLP or subsequent owners working under this Contract shall create a procedure to provide a single point of contact, e.g. property owners association, responsible for documenting current land use and compliance with the restrictive covenants regardless of the Property's ownership status. The procedure shall be reviewed and approved by the Department before it is implemented.

19. Two (2) years after the execution date of this Contract, CMLP or subsequent owner of the Property shall provide the Department with the following information concerning the new operation at the Property: the number of jobs created; the amount of increase to the tax base; the amount of soil removed or remediated, if necessary; cost of all environmental work; and any other information that demonstrates that the activities performed pursuant to this Contract have been beneficial to the State, the community, and the Department.
20. Upon successful completion of the terms of this Contract as referenced in Paragraphs 4, 5 and 18 above, CMLP shall submit to the Department a written notice of completion. As part of this notice, CMLP shall report the costs of all environmental work and the total amount invested in the site for property acquisition and capital improvements. Once the Department determines satisfactory completion of the Contract terms, the Department, as provided by CERCLA § 113(f)(2), 42 U.S.C. §§ 9613(f)(2); S.C. Code Ann. § 44-56-200 (2002) and S.C. Code Ann. § 44-56-750 (2002 and Supp. 2005), will give CMLP a Certificate of Completion that provides a covenant not to sue CMLP, its NRP lenders, parents, subsidiaries, and successors, including new purchasers, lessees, heirs, and beneficiaries for Existing Contamination, except for releases and consequences caused by CMLP or its NRP

lenders, parents, subsidiaries, and successors, including new purchasers, lessees, heirs, and beneficiaries. In consideration of the protections from the Department, CMLP and its lenders, parents, subsidiaries, and successors, including new purchasers, lessees, heirs, and beneficiaries agree not to assert any claims or causes of action against the Department arising out of activities undertaken at the Site or to seek other costs, damages, or attorney's fees from the Department arising out of activities undertaken at the Site, except for those claims or causes of action resulting from the Department's intentional or grossly negligent acts or omissions.

21. CMLP specifically denies any responsibility for response costs or damages resulting from Existing Contamination and does not, by signing this Contract, waive any rights that it may have to assert any claims in law or equity against any other person, company, or entity with respect to the Site. However, CMLP and its lenders, parents, subsidiaries, and successors, including new purchasers, lessees, heirs, and beneficiaries are responsible and liable for any and all contamination, releases, and consequences they cause or contribute to the Site. Should environmental contamination neither previously-identified nor identified during the performance of response actions required under this Contract be discovered at the Site after the execution date of the Certificate of Completion, the burden is on CMLP or its NRP lenders, parents, subsidiaries, and successors, including new purchasers, lessees, heirs, and beneficiaries to demonstrate to the Department's satisfaction that the contamination, releases, and consequences were not caused by CMLP or its NRP lenders, parents, subsidiaries, and successors, including new purchasers, lessees, heirs, and beneficiaries.
22. CMLP or subsequent owners of the Property and the Department each reserve the right to unilaterally terminate this Contract. Termination may be accomplished by giving a thirty (30) day advance written notice of the election to terminate this Contract to the other party. Should CMLP or subsequent owners of the Property

elect to terminate, it must submit to the Department all data generated pursuant to this Contract, and certify to the Department's satisfaction that any environmental or physical hazard created by CMLP shall be stabilized and/or mitigated such that the Property does not pose a hazard to human health or the environment that did not exist prior to any initial response action addressing contamination identified in this Contract.

23. The Department may terminate this Contract only for cause, which may include but is not limited to the following:
- A. Events or circumstances at the Property that are inconsistent with the terms and conditions of this Contract;
 - B. Failure to complete the terms of this Contract or the Work Plan;
 - C. Failure to submit timely payment for oversight costs as defined in Paragraph 15 above;
 - D. Additional contamination or releases or consequences caused by CMLP or its lenders, parents, subsidiaries, and successors, including new purchasers, lessees, heirs, and beneficiaries;
 - E. Providing the Department with false or incomplete information or knowing failure to disclose material information;
 - F. Change in CMLP's, its lenders', parents', subsidiaries', and successors', including new purchasers', lessees', heirs', and beneficiaries' business activities on the Property or use of the Property that are inconsistent with the terms and conditions of this Contract.
 - G. Failure by CMLP or subsequent Non-Responsible Party owner of the Property to obtain the applicable permits from the Department for any response actions or other activities undertaken at the Property.
 - H. Consistent failure by CMLP or subsequent owner of the Property to achieve demonstrable progress towards redeveloping the Property or restoring it to productive use.

24. Upon termination of the Contract, the covenant not to sue, contribution protection, and liability protection will be null and void. However, if the lenders, parents, subsidiaries, and successors, including new purchasers, lessees, heirs, and beneficiaries provide false or incomplete information or if its business activities change such that they are inconsistent with the terms and conditions of this Contract, then the covenant not to sue, contribution protection, and liability protection shall become null and void only as to the lenders, parents, subsidiaries, and successors, including new purchasers, lessees, heirs, and beneficiaries involved in the action giving rise to the termination without affecting the protections provided by this Contract to the previous Non-Responsible Parties and other NRP lenders, parents, subsidiaries, and successors, including new purchasers, lessees, heirs, and beneficiaries.
25. The signatories below hereby represent that they are authorized to and do enter into this contract on behalf of their respective parties.

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**THE SOUTH CAROLINA DEPARTMENT OF HEALTH AND
ENVIRONMENTAL CONTROL**

BY: _____
Robert W. King, Jr., P.E.
Deputy Commissioner
Environmental Quality Control

DATE: _____
Columbia, South Carolina


Daphne Neel, Chief
Bureau of Land and Waste Management

DATE: _____

Approved by Office of General Counsel

DATE: _____

CONESTEE MILLS, LP

BY:  _____
PETER BEHRINGER
MANAGER OF MANAGING MEMBER
Printed Name and Title

DATE: 4/21/08

BY: _____

DATE: _____

Printed Name and Title

RECEIVED

FEB 06 2008



January 25, 2008

**DIVISION OF SITE
ASSESSMENT & REMEDIATION**

Angela Gorman
South Carolina Department of Health and Environmental Control
Bureau of Land and Waste Management
2600 Bull St.
Columbia, SC 29201

Re: NRP Voluntary Cleanup Program Statements and Certifications
Conestee Mill, Conestee, SC

Dear Ms. Gorman:

Responding to information provided to me by Craig Dukes, I am transmitting herewith our application for a Voluntary Cleanup Contract with South Carolina Department of Health and Environmental Control 'the Department', the following are the Statement and Certifications from TCG Development Services, LLC, which will be the sole manager of Conestee Mill GP, LLC, the General Partner of Conestee Mill, LP, a single purpose Limited Partnership entity which will purchase the site, and which will also be the Non-Responsible Party (NRP) for the above referenced site known as Conestee Mill located at 1 Spanco Drive Conestee, SC 29636.

TCG Development Services is the master developer for the Greenville Housing Authority's revitalization of Jesse Jackson Townhomes into a new mixed income community containing 598 rental and homeownership units, both on-site and off-site in various locations throughout the Nicholtown neighborhood. TCG will be working with GHA to provide additional housing opportunities in Conestee through the revitalization of the mill and surrounding land into both senior and family housing. Please see the attached redevelopment plan for further information.

We have had both Phase I and Phase II environmental assessments performed on the mill. An updated Phase I will be available on Wednesday, January 30, 2008, that updates the existing Phase I and incorporates Parcel "A" across Spanco Drive that will be part of the redevelopment. The respective reports are attached to this application and the update will be provided to you electronically on January 30th. The Phase II assessment reported higher than acceptable concentrations of several contaminants in the soils surrounding the mill, notably lead and arsenic. Our statements and certifications follow:

1. The purchase of the mill site will benefit the property by conducting remediation activities that will improve the site and the surrounding communities, provide jobs to area residents, coordinate with and enhance the adjacent nature preserve of the Conestee Foundation and provide community services to residents of the property and the surrounding neighborhood. The proposed site will undergo adaptive reuse from industrial to housing which will substantially reduce the ongoing risk posed by the Site.
2. The purchaser is not a responsible party [as defined under CERCLA §107(a) and S.C. Code Ann. §44-56-720(8)] at the Site, nor is it a parent, successor or subsidiary of a responsible party at the Site.

A Member of The Communities Group

8484 Georgia Avenue, Suite 620, Silver Spring, MD 20910 PH (301) 563-5560 FAX (301) 563-6160

3. The party is a Bona Fide Prospective Purchaser for the property. Please find attached a 'list of previous owners and operators' for the property with the respective addresses. Note that we only have the contact information of current owner who has had ownership interest in the property since 1978. The current owner has attempted to contact prior owner in 1990 as evidenced by the attached summons which were returned undelivered to the former owner.
4. Conestee Mill, LP, the prospective owner will perform the necessary response action at the site. All response action will be undertaken by TCG Development Services, LLC, the developer.
5. The new property development, with exercise of due care, will not aggravate or contribute to the existing contamination or interfere with any future response action, nor will it pose health risks to either the community or those persons likely to be present at or near the Site.
6. As mentioned above, Conestee Mill, LP entity will be the acquiring entity of the property. TCG Development Services, LLC will be the sole manager of the General Partner of the single purpose Limited Partnership acquiring entity, as well as the developer and its 'Articles of Organization' are attached.
7. Conestee Mill, LP will not have any assets, however the costs and clean up will be paid by the equity available to the partnership by the syndication of historic tax credits, and mill credits which will be used to develop a multi-family housing development in partnership with the Housing Authority of the City of Greenville, SC. Furthermore, the financial statement of the General Partner manager and developer, TCG Development Services, LLC is attached.

I hereby certify that to the best of my knowledge that all facts stated above are true and correct and can be relied upon by the Department regarding the above referenced proposed development.

By: TCG Development Services, LLC



By: Peter Behringer
Executive Vice President

Cc:

H. J. Brand, Inc

Dale Johnson, Greenville Housing Authority

Enclosed:

1. List of previous owner and/or operators
2. Summons to previous owner
3. TCGD Article of Organization
4. TCGD Financial Statement

Previous Owners and Operators of the site

H.J Brand, Inc. P.O. Box 66 1 Spanco Drive Conestee, SC 29636	12/10/85 -Present
J & B Associates P.O. Box 66 1 Spanco Drive Conestee, SC 29636	3/17/78-12/10/85
Standard Textiel Mills, Inc. Address Not Available	11/26/73-3/17/78
UPD, Inc Address Not Available	2/18/72-11/26/73
Wyandotte Worsted Co. Address Not Available	3/26/54-2/18/72
Blackington Mills Address Not Available	19__-3/26/54
W.E. Beattie & Assoc.(Conestee Mills) Address Not Available	1909-19__
Reedy River Mfg. Co Address Not Available	1875-1909
James Ashmore and J.A. David Address Not Available	18__-1875
Grady Ashmore and Co. Address Not Available	18__-18__
Grady Hawthorne, and Perry Address Not Available	1862-18__
Vardry McBee Address Not Available	1815-1862
Lemuel Alston Address Not Available	Post-Revolutionary War Land Grant

The Conestee Mill Rezoning

Tract A 3± acres

Multifamily housing 96 units maximum
Parking per table 12.1
700 sf min unit size
Setbacks 10'
Max height 4 stories

Tract B 1.43 acres

Commercial/Townhomes/Amphitheatre
Maximum SF commercial space
Commercial uses and restrictions in accordance with zoning classification C-1
Open air Amphitheatre (maximum 100 seating capacity)
Maximum townhome units 10
Maximum height 3 stories
Setbacks 10'
Parking per table 12.1 and per section 12.2.2 shared parking

Tract C (Company Store) .28 acres **Existing structure 15286 gross SF**

Office/commercial/multifamily housing
Uses and bulk restrictions per NC
Parking per table 12.1 and per section 12.2.2 shared parking

Tract D 2.51 acres

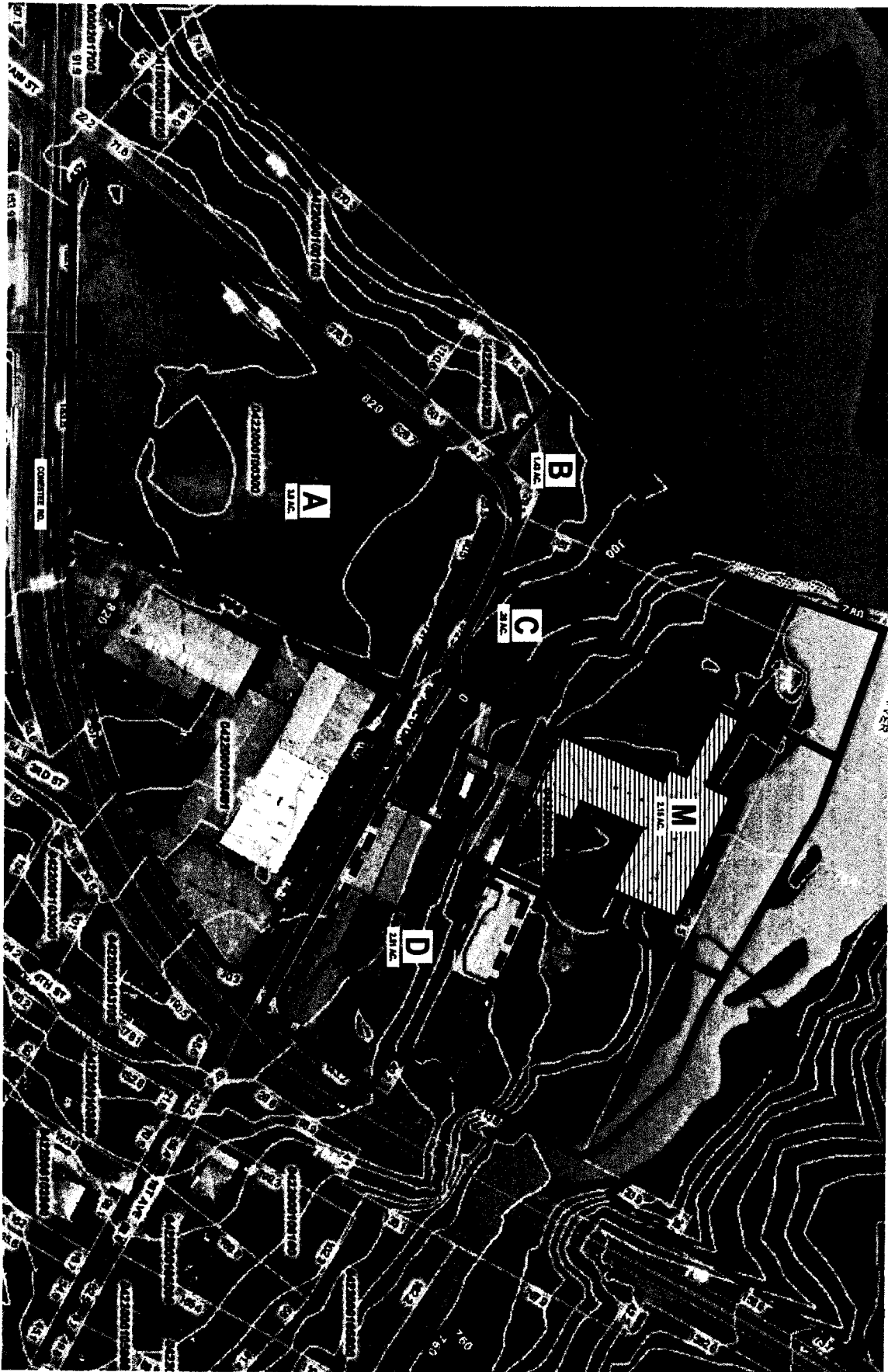
Mixed use
Conforming to NC with the exception that residential units be allowed up to 20 units per acre.
Maximum commercial space
Parking per table 12.1 and per section 12.2.2 shared parking
Setbacks 10'
Max height 4 stories (3 stories with basement)

Tract M (The Mill) 2.15 acres **Existing structure 69,819 gross SF**

96 residential units max
650 sf min unit size
Parking per table 12.1 and section 12.2.2 shared parking

CONCEPTUAL REZONING PLAN

0
50' 100' 200'
SCALE 1" = 100'



MARTIN RILEY ASSOCIATES - ARCHITECTS, P.C.
25 CHURCH STREET SUITE 200 DECATUR, GEORGIA 30030-320 404-323-2800

CONCEPTUAL REZONING PLAN
COMMUNITY DEVELOPMENT

2007-007		
2007-007		
2007-007		
2007-007		

Legal Description

1. Tax Map Parcel 0423000101001 (The Conestee Mill Site) containing approximately 3.9 acres with building improvements containing approximately 113,000 SF of floor space.
2. Tax Map Parcel 0422000100300, containing approximately 2.9 acres. (Identified on site plan as Parcel "A")